

INTRODUCED: February 9, 2026

AN ORDINANCE No. 2026-041

To amend Ord. No. 2025-057, adopted May 12, 2025, which adopted the Fiscal Year 2025-2026 General Fund Budget and made appropriations thereto, by (i) transferring \$14,700,000.00 from the Contingency Reserve; (ii) creating a new line item in the Outside Agencies and Central Appropriations agency entitled “EDA – Diamond District;” and (iii) appropriating such transferred funds to such new line item in the Outside Agencies and Central Appropriations agency, all for the purpose of providing funding to the Economic Development Authority of the City of Richmond for the redevelopment of the area known as the Diamond District.

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 23 2026 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Article I, Section 1 of Ordinance No. 2025-057, adopted May 12, 2025, which adopted a General Fund Budget for the fiscal year commencing July 1, 2025, and ending June 30, 2026, and made appropriations thereto, is hereby amended by:

- (a) Transferring funds in the amount of \$14,700,000.00 from the Contingency Reserve;
- (b) Creating a new line item in the Outside Agencies and Central Appropriations agency entitled “EDA – Diamond District;” and

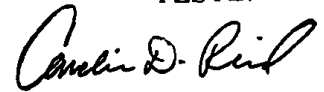
AYES: 8 NOES: 1 ABSTAIN: _____

ADOPTED: FEB 23 2026 REJECTED: _____ STRICKEN: _____

(c) Appropriating the funds in the amount of \$14,700,000.00 transferred by subsection (a) of this section to the new line item in the Outside Agencies and Central Appropriations agency entitled “EDA – Diamond District” created by subsection (b) of this section, all for the purpose of providing funding to the Economic Development Authority of the City of Richmond for the redevelopment of the area known as the Diamond District.

§ 2. This ordinance shall be in force and effect upon adoption.

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Amber D. Reed". The signature is written in a cursive style with a large initial 'A'.

City Clerk

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: January 16, 2026

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Odie Donald II, Chief Administrative Officer

THROUGH: Tanikia Jackson, Deputy Chief Administrative Officer (Finance Portfolio)

THROUGH: Letitia Shelton, Director, Department of Finance

THROUGH: Meghan Brown, Director, Department of Budget and Strategic Planning

THROUGH: Sharon Ebert, Deputy Chief Administrative Officer (Econ. Dev. Portfolio)

FROM: Angie Rodgers, Director, Department of Economic Development

RE: Budget Amendment - \$14.7M Appropriation to EDA (Loan) for Sports Backers Purchase

ORD. OR RES. No. _____

PURPOSE: To amend Ord. No. 2025-057, adopted May 12, 2025, which adopted the Fiscal Year 2025-2026 General Fund Budget and made appropriations thereto, by (i) transferring \$14,700,000.00 from the Contingency Reserve; (ii) creating a new line item in the Outside Agencies and Central Appropriations agency entitled “EDA – Diamond District;” and (iii) appropriating such transferred funds to such new line item in the Outside Agencies and Central Appropriations agency, all for the purpose of providing funding to the Economic Development Authority of the City of Richmond for the redevelopment of the area known as the Diamond District.

BACKGROUND: This ordinance enables the City to loan \$14.7M to the Economic Development Authority of the City of Richmond, Virginia (“EDA”), which will provide the EDA with the remaining funding needed to purchase an approximately 6.6-acre parcel of real estate located at

2911 N. Arthur Ashe Boulevard owned by Virginia Commonwealth University (“VCU”) and referred to as the “Sports Backers Parcel”.

The City, the EDA, and Diamond District Partners, LLC (the “Developer”), entered into a Purchase and Sale and Development Agreement dated May 15, 2024 (the “Development Agreement”), to facilitate redevelopment of the Diamond District. The Development Agreement calls for the Authority to purchase the Sports Backers Parcel from VCU, and to convey a portion thereof to the Developer to enable redevelopment. The City and the EDA also entered into a Cooperation Agreement dated June 1, 2024, which provides that the City will make available to the EDA such funds as may be necessary for the EDA to satisfy its undertakings pursuant to the Development Agreement. Pursuant to the Development Agreement, the EDA intends to purchase the Sports Backers Parcel from VCU for a purchase price of \$25,000,000, the funding for which would be comprised of (i) the proceeds received by the EDA from its sale of the Phase 1A Property to the Developer in March 2025 and (ii) \$14.7M in funds loaned by the City. The EDA intends to repay the loan funds to the City upon selling the Phase 1B and Phase 1C Property to the Developer pursuant to the Development Agreement.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: Diamond District Redevelopment Project

FISCAL IMPACT: Appropriates \$14.7M to the EDA to support the purchase, which funds will be repaid to the City.

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: January 26, 2026

CITY COUNCIL PUBLIC HEARING DATE: February 9, 2026

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Organizational Development Standing Committee (Feb. 2)

AFFECTED AGENCIES: Department of Economic Development, Department of Finance; Department of Budget and Strategic Planning; City Attorney's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance No. 2024-112 (Approving the Diamond District Redevelopment Project Purchase and Sale and Development Agreement; Ord. No. 2024-114 (Approving certain Diamond District financing and a City/EDA Diamond District Cooperation Agreement); Res. No. 2024-R042 (Expressing support for conveyance of Sports Backers Parcel to EDA)

ATTACHMENTS: Draft EDA SBS Promissory Note

STAFF: Matt Welch, Department of Economic Development
Michael Ngyuen, Department of Finance

PROMISSORY NOTE

[_____, 20__]

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF RICHMOND, VIRGINIA

The Economic Development Authority of the City of Richmond, Virginia (the “Authority”), a political subdivision of the Commonwealth of Virginia, for value received, hereby promises to pay to the order of the City of Richmond, Virginia (the “City”), at the principal office of the City or such other place as the City may designate in writing, the principal amount of FOURTEEN MILLION SEVEN HUNDRED THOUSAND Dollars (\$14,700,000.00)¹. If not sooner paid, all principal shall be due and payable on [December 31, 2036] (the “Maturity Date”). The Authority promises to pay interest on this Note that will accrete and compound at a rate per annum of 4.00% (the “Interest Rate”) but is payable only at maturity and shall be subject to forgiveness as set forth herein. If paid at maturity, the aggregate amount of principal and interest (i.e., the “Accreted Amount”) will be \$[_____]. The Accreted Amount hereof is determined from Schedule I and in accordance with the provisions set forth below. The Accreted Amount of this Note will be payable in lawful money of the United States of America.

If the Maturity Date is not a Business Day, then payment of the Accreted Amount need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day no additional interest will accrete for the period after the Maturity Date.

Definitions. In addition to certain terms defined elsewhere herein, the following terms have the meanings set forth below:

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the Commonwealth of Virginia are authorized by law to close or (iii) a day on which the City of Richmond is closed for business.

“Compounding Date” means January 1 of each year, commencing on January 1, 2027, and continuing until this Note has been paid in full.

“Developer” means Diamond District Partners, LLC, together with any successors or assigns.

“Development Agreement” means the Diamond District Redevelopment Project Purchase and Sale and Development Agreement dated May 15, 2024, between the Authority, the City and the Developer.

“Net Sale Proceeds” means the net sale proceeds realized by the Authority from the sale of the Property.

“Property” means, collectively, the Phase 1B Property and the Phase 1C Property (each as defined in the Development Agreement).

Security. This Note is a limited obligation of the Authority and is secured by and payable solely from the Net Sale Proceeds. NEITHER THE COMMONWEALTH OF VIRGINIA, NOR THE AUTHORITY NOR ANY OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH SHALL BE OBLIGATED TO PAY THE INITIAL PRINCIPAL AMOUNT OF THIS NOTE OR THE ACCRETED INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND MONEYS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE INITIAL PRINCIPAL AMOUNT OF THIS NOTE OR THE ACCRETED INTEREST THEREON OR OTHER COSTS INCIDENT THERETO.

Prepayment. The Authority may prepay this Note in whole or in part at any time and from time to time at a prepayment price equal to 100% of such portion of the initial principal amount to be prepaid (the “Initial Principal Portion”). If repaid prior to maturity, all accreted interest on any Initial Principal Portion so prepaid shall be forgiven and deemed no longer due and payable under this Note.

Calculation of Accreted Amount. The Accreted Amount shall be determined as follows: (i) for each date shown on the table attached as Schedule I, the amount shown in Schedule I for such date (as may be adjusted to account for any partial prepayments of the initial principal amount and any forgiven accreted interest thereon) and (ii) for any other date, the amount equal to the outstanding principal amount of this Note, plus interest accreted on such outstanding principal amount from the date of issuance of this Note to the earlier of such date of calculation or the Maturity Date, compounded on each Compounding Date at the Interest Rate, assuming in each year that such interest accrues in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. In each case, the Accreted Amount of this Note shall be determined by the City and confirmed by the City’s financial advisor, in each case using good faith, reasonable judgment.

Status of Property Disposition and Valuation. Upon the written request of the City, the Authority shall confirm in writing (a) to the extent that the City has conveyed the Property to the Authority, whether the Authority has sold the Property or any portion thereof and applied the corresponding Net Sale Proceeds to the prepayment of all or a portion of this Note and (b) whether the fair market value of any Property still owned by the Authority, as estimated by the Authority using good faith, reasonable judgement, at such time exceeds the expected Accreted Amount of

this Note (as may be adjusted for any partial prepayments of the initial principal amount and any forgiven accreted interest thereon) on the Maturity Date.

IN WITNESS WHEREOF, the Economic Development Authority of the City of Richmond, Virginia, has caused this Note to be signed by the Chair, its seal to be affixed hereon and attested by its Secretary, and this note to be dated [_____, 20__].

ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA

By: _____

Chair

ATTEST:

Secretary

[SEAL]

APPROVED AS TO FORM:

Counsel for the Authority

